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Mr. Johanns:

Growers in Eastern Washington thank you for including us in your nation-wide tour. Dryland Soft White Wheat Growers depend on program payments to make us profitable. Consequently, changes in program allocations such as occurred in Congress last week have direct impacts on our survival. This brings me to the first of five questions I have for you to consider:

1. The statistical information collected and disseminated by USDA appears to lack critical analysis. You are not served by data incorrectly analyzed. I suggest you form analysis groups in each state comprised of ag bankers, accountants, farm budgeters and do actual costs-of-production and peer comparisons in specific cropping systems and farm enterprise sizes. Traditional program crops have economies developed for 60 years around a government safety net where other crop systems have depended on market forces. The profitability and fiscal health of these systems are fundamentally different and need to be analyzed as such. Distinctions need to be drawn between traditional program crop producers and farms that are expected to provide the sole income source for a family vs. farms that survive on off farm dollars, tourism dollars, the new face of de-urbanization and nuveau ag movement. In our traditional dryland wheat cropping system you would find farm sizes that were economically viable 5 years ago, farms that took 3 and 4 generations to build the equity, producing at a loss today. While USDA touts unprecedented ag profits we are being injured by an inequitable loan rate for soft white wheat, Emerson Trust releases during harvest, Crop Insurance programs that ignore Winter Wheat in Continuous Crop vs. Summerfallow Winter Wheat, disaster allocations that are distributed 2 and 3 years after the loss, and sudden reductions in program payments.
2. Now that the US has laid down the gauntlet for subsidy reductions world wide, the shift to the WTO friendly Conservation Security Program for farm subsidies is a policy disaster. The program inherently excludes support to a number of growers because it was not designed to be fair to all growers. It also excludes some of the most innovative growers because new technologies are slow to be recognized by a program that has already locked in the approved practices. The requirement for a 10 year written lease to qualify for the 3<sup>rd</sup> tier is not a traditional practice in our region. 5 year crop share leases are common and given the shrinking returns, one year rents may be the trend in the future. Few will have the luxury or desire to lock in a 10 year lease in today's uncertain production environment. The payback requirement upon contract default is a huge disincentive to participation in the 3<sup>rd</sup> tier contract. The CSP policy destabilizes land tenure, a fundamental requisite to viable domestic agriculture.
3. Equally troubling is the lack of a comprehensive national fertilizer policy. Without sufficient fertilizer, in a time of war, famine or world disaster, our people will go hungry. Allowing our mined phosphate to be exported, causing domestic shortages, the fact that no new fertilizer manufacturing has been constructed in 40 years in our country due to opposition from the activist environmental community, shipping and maritime laws that prevent efficient distribution are all issues needing a comprehensive approach alleviate the excessive cost increases and price instability we have experienced yearly.
4. It seems odd to me that there are laws against other countries selling food products into our markets at below cost of production. It's called dumping. Yet there is no mechanism to recognize domestic production costs. The price at

harvest and since has been below cost of production so our farm technically "illegally dumped" our production to the local grain growers coop. We need a counter-balance in the market that allows growers to offer their products at a profitable domestic price to the market instead of producing at a loss for a number of years until the world price diverts up for a year or two. Those profitable years are becoming more scarce as more sub-productive land goes into commodity production worldwide.

5. Finally, last year in Iraq, the American Armed Forces were called in to coordinate the distribution of White Wheat Seed to the Iraqi farmers, the first crop in 8 years since the oil for food agreement was in place. The distribution went peacefully and the farmers worked out an equitable way so all received a fair portion. There is recognition in the institutional memory of the US military that establishing the act of agriculture and having a stable agricultural base in a country provides stability to a fledgling and emerging democratic society. Farming and the economic opportunity inherent provide the template for the continuity of democracy. I urge the UDSA to consider these points as you construct the next farm bill; the impacts you have on land tenure and profitability, the further urbanization and destabilization of our democracy should you continue to constrict the opportunities available for the historic, multi-generation family farms producing commodities and program crops.

Roger Dye is a 3<sup>rd</sup> Generation Dryland Soft White Wheat Grower. He is a sole proprietor with 2200 acres of cropland, 1100 acres planted. He provides all of the income for his family, wife, Mary, and three girls Emilie, 9, Megan, 7, and Krista, 5, from farming. Mary helps both in the field and keeping the books.

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 democracy. I agree if a USDA to consider those points as you consider the future  
 and will the impact you have on land tenure and productivity, the future  
 and the stabilization of our democracy should you consider the  
 control the opportunities available for the future multi-generation food farms  
 and in controlling a program close

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